

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

**Basic Financial Statements
With Accountant's Review Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 04 2013

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

**Basic Financial Statements
With Accountant's Review Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
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PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Contents, December 31, 2012**

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MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

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Accountant's Review Report

**BOARD OF COMMISSIONERS
CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

I have reviewed the accompanying financial statements of the governmental activities of the Claiborne Parish Fire Protection District No. 3 as of and for the year ended December 31, 2012, which collectively comprise the fire district's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Claiborne Parish Fire Protection District No. 3. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

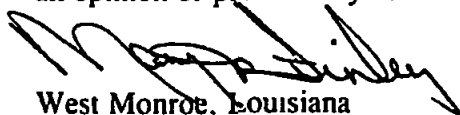
The management of Claiborne Parish Fire Protection District No. 3 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Accountants Review Report
December 31, 2012

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis information on pages 6 through 9, and 25 through 26, is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but is has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information



West Monroe, Louisiana
May 29, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

**Management's Discussion and Analysis
December 31, 2012**

As management of the Claiborne Parish Fire Protection District No. 3, we offer readers of the Claiborne Parish Fire Protection District No. 3's financial statements this narrative overview and analysis of the financial activities of the Claiborne Parish Fire Protection District No. 3 for the fiscal year ended December 31, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Claiborne Parish Fire Protection District No. 3's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Claiborne Parish Fire Protection District No. 3's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Claiborne Parish Fire Protection District No. 3's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Claiborne Parish Fire Protection District No. 3 is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and

expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Claiborne Parish Fire Protection District No. 3, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Claiborne Parish Fire Protection District No. 3 are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Claiborne Parish Fire Protection District No. 3 adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Claiborne Parish Fire Protection District No. 3's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Claiborne Parish Fire Protection District No. 3 exceeded liabilities by \$1,378,606. Approximately 32% of the Claiborne Fire Protection District No. 3's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Claiborne Parish Fire Protection District No. 3 to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$743,459	\$607,906
Receivables	206,198	206,022
Capital assets (net of accumulated depreciation)	438,291	487,711
TOTAL ASSETS	<u>\$1,387,948</u>	<u>\$1,301,639</u>
LIABILITIES		
Accounts payable	\$9,342	\$9,013
Salaries payable		2,365
TOTAL LIABILITIES	<u>9,342</u>	<u>11,378</u>
NET POSITION		
Invested in capital assets, net of related debt	438,291	487,711
Unrestricted	940,315	802,550
TOTAL NET POSITION	<u>\$1,378,606</u>	<u>\$1,290,261</u>

STATEMENT OF ACTIVITIES

	<u>2012</u>	<u>2011</u>
Taxation:		
Personal services	\$7,314	\$38,327
Operating services	57,604	50,817
Materials and supplies	27,021	54,008
Travel and other charges	5,543	2,830
Intergovernmental	8,032	15,766
Depreciation expense	49,420	49,420
Total Program Expenses	<u>154,934</u>	<u>211,168</u>
General revenues:		
Taxes - ad valorem	215,692	215,211
Fire insurance rebate	19,209	19,397
Interest earned	3,133	3,743
Other revenues	5,245	1,711
Total General Revenues	<u>243,279</u>	<u>240,062</u>
Change in Net Position	<u>88,345</u>	<u>28,894</u>
Net Position - Beginning of year	<u>1,290,261</u>	<u>1,261,367</u>
Net Position - End of year	<u>\$1,378,606</u>	<u>\$1,290,261</u>

Financial Analysis of the Government's Funds

As noted earlier, the Claiborne Parish Fire Protection District No. 3 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2012, the general fund's governmental fund balances of \$940,315 showed an increase of \$137,765 over December 31, 2011.

General Fund Budgetary Highlights

There was no budget amendment during the current year.

Capital Asset and Debt Administration

Capital assets. The Claiborne Parish Fire Protection District No. 3's investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$438,291 (net of accumulated depreciation). This investment includes buildings, vehicles, furniture and equipment. There were increases no increases of decreases in capital assets for the year.

Long-term debt. The Claiborne Parish Fire Protection District No. 3's has no long-term debt outstanding at December 31, 2012.

Requests for Information

This financial report is designed to provide a general overview of the Claiborne Parish Fire Protection District No. 3's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Claiborne Parish Fire Protection District No. 3, 1833 Sherman Street, Haynesville, LA 71038.

May 29, 2013

BASIC FINANCIAL STATEMENTS

Statement A

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

**STATEMENT OF NET POSITION
December 31, 2012**

ASSETS

Cash and cash equivalents	\$743,459
Receivables	206,198
Capital assets (net of accumulated depreciation)	<u>438,291</u>
TOTAL ASSETS	<u>\$1,387,948</u>

LIABILITIES

Accounts payable	<u>\$9,342</u>
TOTAL LIABILITIES	<u>9,342</u>

NET POSITION

Invested in capital assets, net of related debt	438,291
Unrestricted	<u>940,315</u>
TOTAL NET POSITION	<u>\$1,378,606</u>

See accompanying notes and accountant's report.

Statement B

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

**STATEMENT OF ACTIVITIES
December 31, 2012**

Public safety:	
Personal services	\$7,314
Operating services	57,604
Materials and supplies	27,021
Travel and other charges	5,543
Intergovernmental	8,032
Depreciation expense	49,420
Total Program Expenses	<u>154,934</u>
General revenues:	
Taxes - ad valorem	215,692
Fire insurance rebate	19,209
Interest earned	3,133
Other revenues	<u>5,245</u>
Change in Net Position	88,345
Net Position - Beginning of year	<u>1,290,261</u>
Net Position - End of year	<u>\$1,378,606</u>

See accompanying notes and accountant's report.

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
GOVERNMENTAL FUNDS**

Balance Sheet, December 31, 2012

ASSETS

Cash and cash equivalents	\$743,459
Receivables - Ad valorem taxes	<u>206,198</u>
TOTAL ASSETS	<u><u>\$949,657</u></u>

LIABILITIES AND FUND EQUITY

Liabilities -	
Accounts payable	\$9,342
Fund Equity - fund balances - unassigned	<u>940,315</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$949,657</u></u>

See accompanying notes and accountant's report.

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

**Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position**

For the Year Ended December 31, 2012

Total Fund Balances at December 31, 2012 - Governmental Funds (Statement C)		<u>\$940,315</u>
Cost of capital assets at December 31, 2012	\$1,055,089	
Less: Accumulated depreciation as of December 31, 2012	<u>(616,798)</u>	<u>438,291</u>
Net Position at December 31, 2012 (Statement A)		<u><u>\$1,378,606</u></u>

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2012**

REVENUES

Ad valorem taxes	\$215,692
Intergovernmental revenues - fire insurance rebate	19,209
Use of money and property	3,133
Other revenues	<u>5,245</u>
Total revenues	<u>243,279</u>

EXPENDITURES**Public safety:** **Current:**

Personal services	7,314
Operating services	57,604
Materials and supplies	27,021
Travel and other charges	5,543
Intergovernmental	<u>8,032</u>
Total expenditures	<u>105,514</u>

EXCESS OF REVENUES OVER EXPENDITURES137,765**FUND BALANCE AT BEGINNING OF YEAR**802,550**FUND BALANCE AT END OF YEAR**\$940,315

See accompanying notes and accountant's report.

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

**Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities**

For the Year Ended December 31, 2012

Total net change in fund balances - governmental funds (Statement D)	\$137,765
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.

(49,420)

Change in net position of governmental activities (Statement B)
--

<u>\$88,345</u>

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Claiborne Parish Fire Protection District No. 3 was created by the Claiborne Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on June 7, 1990. The district is governed by a five member board appointed by the Claiborne Parish Police Jury. Board members serve without benefit of compensation. The district is responsible for collecting an ad valorem tax within the boundaries of the district and for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

The accompanying financial statements of the Claiborne Parish Fire Protection District No. 3 have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Claiborne Parish Police Jury is the financial reporting entity for Claiborne Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Claiborne Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Notes to the Financial Statements (Continued)**

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the district, appoints certain commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the Claiborne Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Claiborne Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The district's basic financial statements include both government-wide (reporting the district as a whole) and fund financial statements (reporting the district's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The district first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses,

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Notes to the Financial Statements (Continued)**

assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district's general revenues.

Allocation of Indirect Expenses - The district reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the district are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

Governmental Fund Type

General Fund - The General Fund is the principal fund of the district and is used to account for the operations of the district's office. The various fees and charges due to

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Notes to the Financial Statements (Continued)**

the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Notes to the Financial Statements (Continued)**

Revenues

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes and other intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012, the district has cash and cash equivalents (book balances) totaling \$743,459.

Demand deposits	\$240,972
Time deposits	502,487
Total	<u>\$743,459</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Notes to the Financial Statements (Continued)**

securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2012, are secured as follows:

Bank balances	<u>\$747,314</u>
Federal deposit insurance	490,972
Pledged securities (uncollateralized)	<u>747,759</u>
Total	<u>\$1,238,731</u>

F. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the police jury maintains coverage on the fire district. The policy covers general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2012.

2. LEVIED TAXES

The district is authorized to levy a maximum tax of 10.00 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 10.82 mills for 2012. The tax will expire with the 2019 tax roll.

The difference between authorized and levied millage is the result of reassessments of taxable property in the parish, as required by Article VII, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2012 assessed valuation.

	<u>2012 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
Midcontinent Express	\$17,218	10.76%
Gulf Crossing Pipeline Co	15,968	9.98%
Texas Gas Transmission	6,051	3.78%

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana
Notes to the Financial Statements (Continued)**

	2012 Assessed Valuation	Per cent of Total Assessed Valuation
XTO Energy	\$5,365	3.35%
Centerpoint Energy Gas	5,010	3.13%
Marathon Oil Company	4,688	2.93%
Claiborne Electric Co-op	3,244	2.03%
Hays, James M.	3,065	1.92%
Entergy Louisiana, Inc.	2,257	1.41%
Hunt Oil Company of Louisiana	2,050	1.28%
Total	<u>\$64,916</u>	<u>40.57%</u>

3. CHANGES IN CAPITAL ASSETS

The following presents the changes in capital assets for the year ended December 31, 2012:

Balance, January 1, 2012	\$1,055,089
Additions	NONE
Deletions	<u>NONE</u>
Balance, December 31, 2012	1,055,089
Less accumulated depreciation	<u>(616,798)</u>
Net Capital Assets	<u>\$438,291</u>

4. PENSION PLANS

The district does not participate in any pension or retirement plans.

5. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2012, nor is it aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2012**

	<u>ORIGINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - ad valorem	\$200,000	\$215,692	\$15,692
Intergovernmental revenues -			
fire insurance rebate	15,000	19,209	4,209
Use of money and property		3,133	3,133
Other revenues		5,245	5,245
Total revenues	<u>215,000</u>	<u>243,279</u>	<u>28,279</u>
EXPENDITURES			
Current:			
General government - taxation:			
Personal services	15,000	7,314	7,686
Operating services	114,250	57,604	56,646
Materials and supplies	80,750	27,021	53,729
Travel and other charges	5,000	5,543	(543)
Intergovernmental		8,032	(8,032)
Total expenditures	<u>215,000</u>	<u>105,514</u>	<u>109,486</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	137,765	137,765
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>802,550</u>	<u>802,550</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>\$940,315</u>	<u>\$802,550</u>

See accompanying note to budgetary comparison schedule.

**Claiborne Parish Fire
Protection District No. 3
Haynesville, Louisiana**

NOTE TO BUDGETARY COMPARISON SCHEDULE

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts for the year ended December 31, 2012. There were no budget amendments for the year.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent Accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Haynesville, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Claiborne Parish Fire Protection District No. 3 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Claiborne Parish Fire Protection District No. 3's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year. That review disclosed no expenditures during the period under examination for materials and supplies exceeding \$30,000. No expenditures were disclosed for public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members, as well as their immediate families.

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Homer, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2012**

Management provided me with the required list including the noted information.

- 3. Obtain from management a listing of all employees paid during the period under examination.**

Management provided me with the required list including the noted information.

- 4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.**

It was determined that no employees are board members.

Budgeting

- 5. Obtain a copy of the legally adopted budget and all amendments.**

Management did not adopt a budget for the year ended December 31, 2012 until March 22, 2012. There were no amendments.

- 6. Trace the budget adoption and amendments to the minute book.**

Traced the original budget adoption to the March 22, 2012 minutes. There were no budget amendments.

- 7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by 5% or more.**

There were no budget amendments.

Accounting and Reporting

- 8. Randomly select 6 disbursements made during the period under examination and;**

- (a) trace payments to supporting documentation as to correct amount and payee;**
- (b) determine if payments were properly coded to the correct fund and general ledger account;**
- (c) determine whether payments received approval from proper authorities.**

**CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Homer, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2012**

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.**
- (b) The six payments were coded to the correct fund and general ledger account.**
- (c) Inspection of supporting documentation for the six disbursements indicated all of the disbursements had approval from a board member on the actual invoices.**

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).**

I inquired of management whether agendas for meetings were posted at the meeting place at least twenty-four hours prior to the meeting. Management stated that agendas were posted and a copy is retained with the minutes. From examination of these notices I determined that the date and time of posting is written on the notice to indicate compliance.

Debt

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.**

I inspected all deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness. Discussion with agency personnel also disclosed no debt proceeds.

Advances and Bonuses

- 11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.**

Upon examination of the payroll records, no payments were found that constituted any bonuses, advances or gifts. A reading of the minutes of the board for the year indicated no approval for

CLAIBORNE PARISH FIRE
PROTECTION DISTRICT NO. 3
Homer, Louisiana
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2012

payment of bonuses, advances, or gifts. I also inspected disbursements journals for of the year and noted no instances which would indicate payments to board members which would constitute bonuses, advances, or gifts.

I am not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Claiborne Parish Fire Protection District No. 3 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Although the intended use of these reports may be limited, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monro, Louisiana
May 29, 2013

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the questionnaire.

Mary Jo Finley, CPA, Inc.
116 Professional Drive
West Monroe, LA 71291

In connection with your compilation of our financial statements of the Claiborne Parish Fire Protection District No. 3 as of December 31, 2012 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of May 29, 2013.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes ☒ No ☐ N/A ☐

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐ N/A ☐

3. No member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐ N/A ☐

BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes ☐ No ☒ N/A ☐

ACCOUNTING AND REPORTING

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No [] N/A []

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Yes [X] No [] N/A []

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [X] No [] N/A []

DEBT

9. We have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [X] No [] N/A []

ADVANCES AND BONUSES

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known non-compliance which may occur subsequent to the issuance of your report.

West Ogilvy

May 29, 2013

Date

May 29, 2013

TO WHOM IT MAY CONCERN;

The Board of Directors of Claiborne Fire District #3 has been notified by their auditor of an audit finding that needs to be addressed.

The item that needs to be addressed is the budget. Since the formation of Fire District #3 all funds were handled through the Haynesville City Hall and the Fire District, to my knowledge, we never saw a budget. The Fire District would purchase needed items and supplies needed and bills were paid by the City. However, there was a spending limit of \$10,000 that needed to be approved by both the Board and City Hall.

In conjunction with the City Hall handling our funds there fiscal year is from June 1 to May 31 and ours is January 1 thru December 31. It can be honestly said we had no idea as to what our monthly expenditures would be. However, after a year we have been through quite a learning curve and are getting a better handle on how things work and have a budget for this year. The Board of Directors adopted a budget for the year of 2013 in November of 2012 in order to comply with the Rules and Regulations. Additionally, all members of the new Board of Directors have successfully completed the online Ethics course and are fully aware of what is expected from them.

A handwritten signature in black ink, appearing to read 'Justin Childress', with a long horizontal line extending from the end of the signature.

Justin Childress, Secretary